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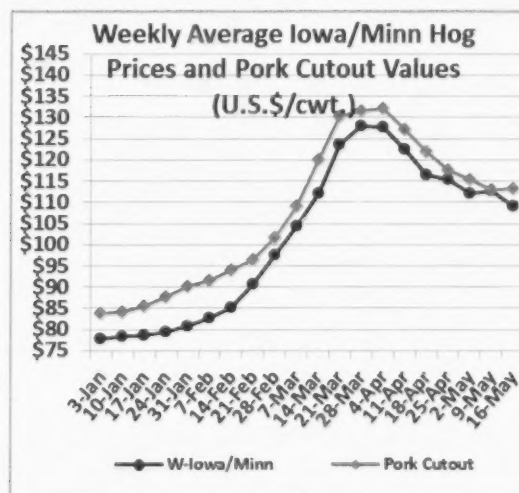
Weekly Hog Report

May 20, 2014

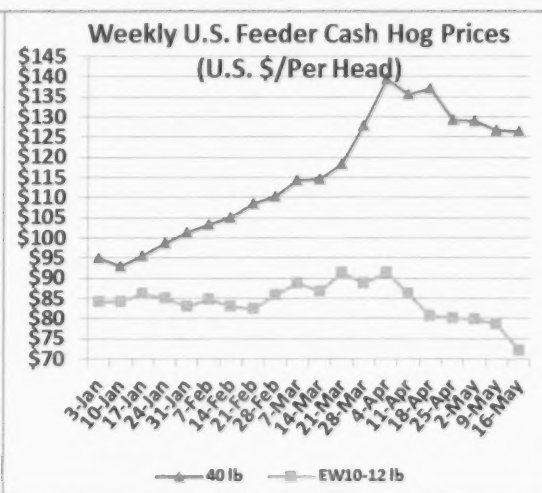
Over the last week there were no new cases of **Porcine Epidemic Diarrhea (PED)** identified in hog barns in Canada. There are currently 58 cases confirmed in hog barns in Ontario, two in Manitoba, one in PEI, and also one in Quebec for a total of 62 PED cases confirmed in hog barns in Canada.

Cash Feeder Hog Prices

Last week North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were overall lower. Weighted average cash prices for iso-weans (12lb) were US\$72.02 per head, down US\$6.73 per head from US\$78.75 per head the previous week. Feeders (40lb) were US\$126.17 per head, down US\$0.25 per head from US\$126.42 per head the previous week.



Source: LMIC



Source: LMIC

Cash Slaughter Weight Hog Prices

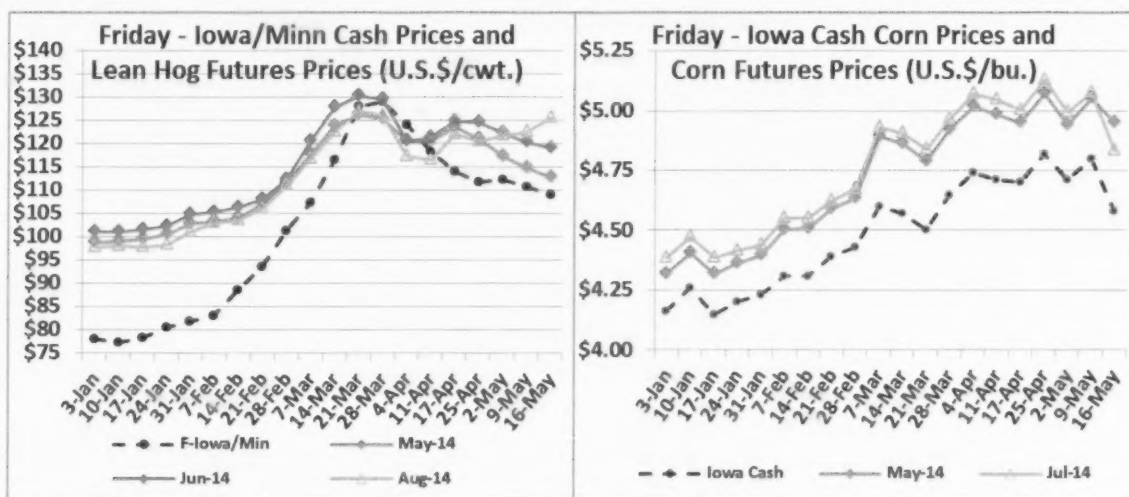
United States daily average cash hog prices were overall lower last week. The daily average price over the week ranged from US\$108.36 per cwt to US\$109.91 per cwt. Hog prices (Iowa/Minn) on Friday averaged US\$108.90 per cwt, down US\$1.87 per cwt or 1.7 per cent from US\$110.77 per cwt the previous Friday. The negotiated base price for the week averaged US\$109.11 per cwt, down US\$3.53 per cwt or 3.1 per cent from US\$112.64 per cwt the previous week.

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday May 16, 2014 was \$218.92 per ckg, down \$3.23 per ckg or 1.5 per cent from \$222.15 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged \$217.74 per ckg, down \$7.68 per ckg from the previous weeks' average price of \$225.42 per ckg. The Canadian dollar again moved higher last week closing the week Friday at 92.11 cents, up 0.33 cents from the previous Friday's close of 91.78 cents.

Futures Markets

Lean hog futures prices were mixed last week with most losses coming in the nearby contract months. The May-to-August 2014 lean hog futures contracts ranged from US\$1.945 per cwt lower to US\$3.100 per cwt higher last week. The May lean hog futures contract expired last week with the largest decline at US\$1.945 per cwt to expire Friday at US\$112.730 per cwt. The August contract had the largest gain at US\$3.100 per cwt to settle Friday at US\$125.600 per cwt. The Friday Iowa/Minn average daily cash price was US\$108.90 per cwt, US\$3.830 per cwt lower than the May's lean hog futures price.

Prices for other United States nearby commodity futures were lower for corn, wheat, and soybeans, but higher for crude oil and gold, week-over-week.



Source: CME

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Iowa cash corn prices and the nearby corn futures were lower over the week. The Iowa cash price on Friday was US\$4.58 per bushel, down over 22 cents from US\$4.80 per bushel the previous Friday. The May corn futures contract was down 10 cents to expire at \$4.94 per bushel on Wednesday. The July contract was down 24 cents to settle Friday at US\$4.835 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week for the week ending May 17 were estimated at 1.999 million head, down 0.8 per cent from 2.016 million head a week ago, and down 1.9 per cent from 2.037 million head from the same week a year ago. U.S. hogs slaughtered over the last four weeks ending May 17 averaged 2.005 million head, down 4.0 per cent from 2.089 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending May 10, 2014 were estimated at 395,543 head, down 0.3 per cent from 396,919 head the previous week, but up slightly from 395,054 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending May 10 were estimated to average 380,709 head, down 4.2 per cent from 397,271 head over the same period a year ago. Year-to-date hogs slaughtered in Canada were 7.545 million head, down 1.5 per cent from a year ago.

In Western Canada, federal and provincial hog slaughter numbers for the week ending May 10, 2014 were estimated at 165,837 head, up 1.9 per cent from 162,692 head the previous week, and up slightly from 165,394 head the same week a year ago. Western Canadian hogs slaughtered over the last four weeks ending May 10 were estimated to average 157,578 head, down 4.0 per cent from 164,164 head over the same period a year ago. Year-to-date hogs slaughtered in Western Canada are up slightly from a year ago.

Meat Production

U.S. pork production for the week ending May 17 was estimated at 433.0 million lb., down 0.6 per cent from 435.8 million lb. the previous week, but up 3.0 per cent from 420.3 million lb. the same week a year ago. Pork production over the last four weeks ending May 17 was estimated to average 434.3 million lb., up 0.5 per cent from 432.3 million lb. over the same four week period a year ago. Heavier hog weights the last month have increased pork production while hog slaughter numbers have been lower.

U.S. beef production for the week ending May 17 was estimated at 465.7 million lb., up 1.3 per cent from 471.6 million lb. the previous week, but down 8.5 per cent from 508.9 million lb. over the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 10, 2014, was estimated at 1.913 billion lb., down 2.4 per cent from 1.960 billion lb. over the same four weeks a year ago.

Cutout Values

The U.S. pork cutout values for the week ending May 17, 2014 averaged US\$113.16 per cwt, up US\$0.34 per cwt or 0.3 per cent from US\$112.82 per cwt from the previous week, and up 22.9 per cent from US\$92.08 per cwt the same week a year ago. Pork cutout weekly average prices had declined for five consecutive weeks losing almost 15 per cent over the period.

Average beef cutout values (Choice 600-900 lb.) for the week ending May 17 averaged US\$225.34 per cwt, down US\$1.23 per cwt from US\$226.57 per cwt from the previous week, but up 8.6 per cent from US\$207.49 per cwt the same week a year ago.

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